

Coherent energy policy is needed

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At a time of concern and even outrage over oil prices, our nation faces urgent questions about energy. Seventeen months ago we embarked on a journey to meet with the American people through a series of meetings coast to coast. The 50City Tour is now coming to an end, but by no means does that bring an end to our part in a national dialogue on energy issues. In fact, it's only the beginning.

More than 250 Shell leaders joined me at one time or another during the tour, and together we found it refreshing and humbling — but in some ways discouraging.

I was encouraged by the receptiveness people showed toward Shell efforts beyond oil and gasoline, such as coal gasification, biofuels, wind, solar and hydrogen power along with liquefied natural gas — and our commitment to reducing greenhouse gas emissions. I heard practical recommendations on energy that reinforced my faith in the common sense of American consumers and voters.

Some viewed the tour as an opportunity to express their intense dislike for oil companies. There were times when I wondered if the tour was such a great idea.

But for the most part, I heard a thirst for answers and common ground. Elected officials were more circumspect, often partisan in their views of what is a bipartisan problem. To listen to some public officials across the country is to hear great confidence that alternative-energy solutions will solve our energy woes — whether we're talking power from hydrogen, the sun or switchgrass. Over the long term, I agree.

But what about the short term? For an official to tout an energy policy that consists of little more than supporting biofuels displays startling inaction regarding the next two decades. The fact is, we live on a razor's edge in terms of oil supply. We have embarked on a policy that relies on imported crude oil and gasoline to an unprecedented degree. Our nation imports almost two-thirds of its crude from other countries. When I was young the number was 10 percent.

As a result, the United States has transferred trillions of dollars to other countries to purchase oil in recent years. That's trillions of dollars not reinvested in domestic supplies, American jobs or infrastructure.

We know there are more than 100 billion barrels of recoverable, conventional oil right here in our country, enough to power 144 million cars for 30 years. But they are off-limits to development due to federal restrictions. Only 15 percent of the U.S. Outer Continental Shelf is available for exploration and production. Unconventional oil represents trillions of more barrels of energy opportunity in this country and on our continent.

Some say it would be environmentally risky to expand our offshore capabilities. But consider the oil industry's environmental stewardship in the Gulf of Mexico. Hurricane after hurricane slammed the Gulf in 2005, seven named storms altogether, and it resulted in zero oil spills washing up on U.S. shores. The technology and standards are in place to manage offshore oil platforms safely.

What we need from Congress and the president is a comprehensive national energy policy taking into account our economic as well as environmental needs.

We need a comprehensive policy that opens access to federal lands and the Outer Continental Shelf for exploration and production and streamlines regulatory requirements.

We need to increase output of our refineries, which convert crude oil into finished products. We have not built any new refineries in America in more than 25 years — although Shell and other companies are working to expand existing facilities.

At the same time, I agree with environmentalists who advocate accelerated research into alternative and renewable energy sources such as biofuels, solar, wind power and hydrogen fuel cells.

We need a public policy that embraces a culture of conservation — that supports building more efficient homes, offices, vehicles and appliances.

And we need a national plan to manage carbon dioxide emissions. With only 5 percent of the world's population, the United States uses 25 percent of the worldwide energy produced and leads in carbon emissions. This is the reason that Shell joined the U.S. Climate Action Partnership.

A clear, workable national policy makes far more sense than conflicting state policies. And that's the common-sense bottom line I heard from America: We are ready for a comprehensive, coherent national energy policy that's good for the environment and the economy.

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